

# Preparing Articles of Organization for a Limited Liability Company

a Step-by-step summary



Prepared by the Utah Division of Corporations and Commercial Code

You may visit our web site for this document and other information.  
<http://www.commerce.utah.gov>

GUIDE-SHEET  
FOR PREPARING ARTICLES OF ORGANIZATION  
FOR A LIMITED LIABILITY COMPANY

**INTRODUCTION**

Filing the Articles of Organization for a Limited Liability Company is an important legal process with many hidden benefits and risks. You are strongly encouraged to consult with an attorney in preparing these articles to ensure your fullest legal protection and benefit, as well as to make certain that you fully understand the advantages, responsibilities, and implications of filing the Articles of Organization for a Limited Liability Company, as statutorily provided for under Title 48, Chapter 2c, the Utah Limited Liability Company Act.

This guide-sheet is intended to assist those who wish to create a Limited Liability Company in its simplest form.

**It must be stressed that this guide-sheet is not intended to substitute for nor replace the advice of legal counsel nor is the information in this guide-sheet legal advice.** It is merely an articulation of the provisions of Utah statutes and their application in regard to the administrative processes of this office. **We strongly encourage you to consult with an attorney.**

## **CONSIDERATIONS IN FORMING A LIMITED LIABILITY COMPANY**

A Limited Liability Company (LLC) is a form of business entity that combines the operational flexibility and tax status of a general partnership with the limited liability protection traditionally associated with limited partnerships and corporations.

### **PRINCIPAL CHARACTERISTICS OF LIMITED LIABILITY COMPANIES**

1. A Limited Liability Company ("LLC") differs from a general partnership inasmuch as its members are not personally liable for the obligations of the LLC. It also differs from a limited partnership in that no member is jointly and severally liable for the obligations of the LLC, unlike the general partner in a limited partnership. An LLC is subject, however, to disclosure, record keeping and reporting requirements that do not apply to a general partnership.

2. A Limited Liability Company is a business entity consisting of one or more "persons" (meaning a natural person, general partnership, limited liability company, limited partnership, limited association, domestic or foreign trust, association, estate, or corporation), conducting business for any lawful purpose. An LLC may be an incorporator, general partner, limited partner, or a Member and/or a Manager of another LLC, or a manager of any corporation, partnership, or limited partnership.

3. Limited Liability Companies consist of Members, Managers, and Employees. Management of the Company is reserved to the Managers or Members as specified in the Articles of Organization, ("Articles.") Generally, neither Managers, Members, nor employees are personally liable for any debt or obligation of the Company.

4. Limited Liability Companies are creatures of statute and become effective once approved Articles of Organization have been filed with the Division of Corporations and Commercial Code, ("Division") of the Department of Commerce, State of Utah. Like most business types filed with the Division, LLC's are formed by filing Articles of Organization. Foreign Limited Liability Companies may transact business in the State of Utah after completing and filing an application for authority to transact business. LLC's may amend their Articles, or file Articles of Dissolution, and must file an annual report yearly.

## AN OVERVIEW TO FORMING A LIMITED LIABILITY COMPANY

A Limited Liability Company is formed in Utah by filing "Articles of Organization" with the Division of Corporations and Commercial Code of the Department of Commerce, with a processing fee of \$50.00. No forms are used to file an LLC; Articles of Organization must be drawn up and once again we encourage you to consult with an attorney to ensure your fullest legal protection and benefit.

### 1. The Articles of Organization of a Limited Liability Company shall set forth: (U.C.A. Section 48-2c-403)

- A. The name of the Limited Liability Company (must contain the words "Limited Liability Company," "Limited Company," "L.C." or "L.L.C.").
- B. The business purpose or purposes for which the Limited Liability Company is organized.
- C. The street address of its registered office in the State of Utah.
- D. The name and signature of its initial registered agent at that address; the agent shall be person residing or authorized to do business in this state.
- E. A statement that the director of the division is appointed the agent of the company for service of process if the agent has resigned, the agent's authority has been revoked, or the agent cannot be found or served with the exercise of reasonable diligence.
- F. The street address of the company's designated office or a statement that the company's registered office shall be its designated office.
- G. The name and street address of each organizer who is not a member or manager.
- H. If the Limited Liability Company is to be manager-managed, a statement that the company is to be managed by a manger or managers and the names and street addresses of the managers who are to serve.
- I. If the Limited Liability Company is to be member-managed, a statement that the company is to be managed by its members and the names and street addresses of the members who are to serve. **The Limited Liability Company shall at all times have at least one (1) member.**
- J. Any other provision, not inconsistent with law, that the members choose to include the Articles of Organization (U.C.A. Section 48-2c-302(4)).
- K. The articles of organization shall be signed by at least **one (1)** organizer or one manager or, if the Limited Liability Company is member-managed, by at least **one (1)** member (U.C.A. Section 48-2c-204).

### 2. When filing Articles of Organization, you must submit the following:

- A. **One (1)** original or true copy of the Articles of Organization. If the filer requests a copy of the Articles of Organization an additional exact copy or copies of the filed document along with a return-addressed envelope with adequate first-class postage must also be submitted.
- B. The \$50.00 processing fee made payable to the State of Utah.

STATE OF UTAH  
DIVISION OF CORPORATIONS & COMMERCIAL CODE

**Mail In:** PO Box 146705

Salt Lake City, UT 84114-6705

**Walk In:** 160 East 300 South, Main Floor

**Information Center:** (801) 530-4849

**Toll Free:** (877) 526-3994 (within Utah)

**Fax:** (801) 530-6438

**Web Site:** <http://www.commerce.utah.gov>

## SAMPLE ARTICLES OF ORGANIZATION

You may review the following sample Articles of Organization to aid in drafting Articles of organization for a Limited Liability Company. Please call the Division of Corporations and Commercial Code at (801) 530-4849 or go online at <http://www.utah.gov/serv/bna> for a business name availability check before you begin. **This is only a sample and DOES NOT constitute legal advice.** It is also strongly suggested that the operating agreement which defines policies and procedures for the management of Limited Liability Company be agreed to, set in writing, and signed by the members and managers of the Limited Liability Company before the signing of the Articles of Organization. (U.C.A. Section 48-2c-403)

The **bold** print is the wording that would actually appear in the articles of organization. All other print is merely explanatory or instructional assistance.

**ARTICLES OF ORGANIZATION  
OF  
OUTSTANDING MANAGEMENT AND CONSULTING SYSTEMS, LLC**

The articles proceed with a statement such as:

**We, the undersigned persons, do hereby adopt the following Articles of Organization for the purpose of forming a Utah Limited Liability Company.**

*One or more persons (either natural persons or legal entities) may organize a Limited Liability Company*

[The Articles are then generally numbered and delineated as follows:]

**Article I NAME**

**The name of the limited liability company is to be Outstanding Management and Consulting Systems, LLC.**

*The Company name MUST contain the words "Limited Liability Company," "Limited Company," "Professional Limited Liability Company" or their abbreviations, "LLC" "PLLC", "P.L.L.C", "L.L.C.". or "L.C.".*

**Article II BUSINESS PURPOSE**

**The Company is organized to perform any and all lawful acts pertaining to the management of any lawful business as well as to engage in and to do any lawful act concerning any and all lawful business for which a Limited Liability Company may be organized under the Utah Limited Liability Company Act and any amendments thereto.**

*The specific purposes but not limited to, for which the Limited Liability Company is formed are listed. Exclusion of certain purposes may also be listed and a general statement that the purpose of the company is to engage in any lawful act is acceptable.*

**Article III REGISTERED AGENT**

The address of the Limited Liability Company's initial registered office, the name of the Registered Agent and his/her signature acknowledging acceptance as such **MUST** be included. The address must be a street address in Utah; a Post Office Box is not permitted.

**The Company shall continuously maintain an agent in the State of Utah for service of process who is an individual residing in said State. The name and address of the initial registered agent shall be John J. Doe, 1234 East 456 South, Ste. 789, Salt Lake City, Utah 841XX.**

ACCEPTANCE OF APPOINTMENT:

\_\_\_\_\_  
John J. Doe

**The Director of the Division of Corporations and Commercial Code of the Department of Commerce for the State of Utah is appointed the registered agent of the Company for the service of process if the registered agent has resigned, the registered agent's authority has been revoked, or the registered agent cannot be found or served with the exercise of reasonable diligence.**

*All business entities in Utah are required to maintain a Registered Agent and a Registered Office in Utah. A Registered Agent is a person over the age of eighteen with a street address in Utah (the Registered Office) who is competent to receive service of court process and all mailings from the Division of Corporations or who is a domestic or foreign corporation or Limited Liability Company whose business office is identical with the Registered Office in the State of Utah. An entity in law may not serve as its own Registered Agent.*

#### **Article IV MEMBERS**

[The identity as well as the addresses of each member is listed:]

**The names and street addresses of Members who shall constitute the initial Members of the Company are as follows:**

**Fred J. Doe  
890 West 2100 South  
Salt Lake City, UT 84000**

**Jane Q. Doe  
345 South 678 West Wall Street  
Salt Lake City, UT 84000**

#### **Article V MANAGEMENT**

If the Limited Liability Company is to be manager-managed , a statement that the company is to be managed by a manger or managers and the names and street addresses of the managers who are to serve. If the Limited Liability Company is to be member-managed, a statement that the company is to be managed by its members and the names and street addresses of the members who are to serve. The Limited Liability Company shall at all times have at least one (1) member.

##### **V.1**

**The General Manager shall be compensated with a management fee of fifteen percent (15%) of the gross profit generated from the Company.**

#### **Article VI DESIGNATED OFFICE**

Indicate the street address of the company's designated office or a statement that the company's registered office shall be its designated office.

#### **Article VII RECORDS**

**The Company shall keep at its designated office or a statement that the company's registered office shall be its designated office, which records include, but are not limited to the following:**

##### **VII.1**

**A current list, in alphabetical order, of the names and current business street address of each Organizer who is not a member or manager.**

##### **VII.2**

**A copy of the stamped Articles of Organization and all certificates of amendment thereto.**

### **VII.3**

**Copies of all tax returns and financial statements of the Company for the past 3 years.**

A Limited Liability Company is also required to maintain copies of financial statements, if any, for the three most recent years, as well as a copy of the operating agreement.

### **Article VIII CONTRIBUTIONS**

**No Member shall be obligated to make any contribution to the Company except those specifically set forth in the Operating Agreement adopted by the Members of the Company.**

### **Article IX DISSOLUTION**

**This Company shall be dissolved with the written consent of all its Members.**

### **Article X ANNUAL REPORT**

**The Company shall file all annual reports required by Utah Law during the month of its anniversary date of formation as required by Section 48-2c-203, Utah Code Annotated.**

### **Article XI AMENDMENTS**

**The Articles of Organization shall be amended from time to time as required by Section 48-2c-408, Utah Code Annotated.**

### **Article XII ARBITRATION**

**Any controversy or claim arising out of or relating to these Articles, or the breach thereof shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The decision of the arbitrator(s) shall be final and binding upon the parties, subject to rights pursuant to the Utah Arbitration Act as set out in the Utah Code, sections 78-31a-1 through 78-31a-20.**

### **Article XIII SIGNATURES**

**All Members of the Company shall sign these Articles of Organization.**

\_\_\_\_\_  
**Jane Q. Doe**

\_\_\_\_\_  
**Fred J. Doe**

**DATED this \_\_\_\_\_ day of December, 20\_\_\_\_.**

*Notarization of the Articles of Organization is not required under Utah law because the Articles are signed under penalty of perjury.*

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.

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